



STATE OF NEW JERSEY

Board of Public Utilities

*Two Gateway Center
Newark, NJ 07102*

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION)
FOR AN ORDER AUTHORIZING)
DIALALOT.COM, INC. TO PROVIDE)
LOCAL EXCHANGE AND INTER-)
EXCHANGE TELECOMMUNICATIONS)
SERVICES THROUGHOUT NEW JERSEY)

ORDER OF APPROVAL

DOCKET NO. TE00080537

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated August 4, 2000, Dialalot.com, Inc. (Petitioner or Dialalot) filed a petition with the Board of Public Utilities (Board) requesting authority to provide local exchange and interexchange services throughout the State of New Jersey. In addition, Dialalot responded to a staff questionnaire by letter dated October 6, 2000 and to Staff interrogatories by letters dated October 20, 2000, November 17, 2000 and December 12, 2000.

According to the petition, Petitioner was incorporated under the laws of the State of Delaware on January 21, 2000. Petitioner's principal offices are located at 472 Route 22 West, Whitehouse Station, New Jersey 08889. Petition at 2, October 20, 2000 letter.

Petitioner submitted copies of its Articles of Incorporation, Delaware Certificate of Good Standing and its New Jersey Authority to Operate as a Foreign Corporation. Petition at 3, Exhibit 1, October 20, 2000 letter. According to the petition, Dialalot was formed to provide local exchange and interexchange services. Petition at 1. Petitioner advised that Dialalot does not currently provide facilities-based or resold local exchange telecommunications services in any other jurisdiction. Questionnaire at 3. Dialalot has not been denied authority to provide telecommunications services in any state. In addition, Dialalot has no pending civil, criminal or administrative actions against it. October 6, 2000 letter at 3.

Dialalot advised that it currently has a request for approval of an interconnection agreement with Verizon New Jersey, pending before this Board in Docket No. TO00110860.

In its petition, Petitioner advised that it seeks authority to provide all forms of telecommunications services throughout the State of New Jersey. The services include, but are not limited to: (1) local exchange; (2) local exchange usage; and (3) switched and special access to other carriers. In addition, Petitioner intends to offer intraLATA and interLATA interexchange services. Services will be offered through a combination of Dialalot's own facilities and resale of other carrier's services. Petition at 5.

Petitioner requested a waiver of the rules requiring that its books and records be maintained in accordance with the Uniform System of Accounts (USOA). In the interest of efficiency and to

prevent undue burden, Petitioner requested permission to maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP). Petition at 4. In its petition, Dialalot also sought a waiver from the requirement to submit pro forma balance sheets and income statements, but has since rescinded that request.

Petitioner asserted that approval of its petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petition at 6. Petitioner also asserted that approval of this petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings. In addition, Petitioner stated that approval of its petition will enhance the telecommunications infrastructure in the State of New Jersey and will facilitate economic development. Petition at 6.

With regard to its technical and managerial qualifications, Dialalot stated that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petition at 4. Petitioner submitted the professional biographies of its key personnel who, according to Dialalot, are well qualified to execute its business plans, and have extensive managerial and technical experience in the telecommunications industry. October 20, 2000 letter.

Petitioner has submitted a 1999 balance sheet of its parent, Mark A. Fry and Associates, and pro forma income statements for Dialalot itself for 2000 through 2002.

By letter dated October 6, 2000, the Division of the Ratepayer Advocate recommended approval of this petition.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. § 151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's decision that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

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Therefore, having reviewed Dialalot's petition and the information supplied in support thereof, the Board FINDS that Petitioner has demonstrated that it possesses the requisite financial, technical and managerial resources, which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange and interexchange telecommunications services in New Jersey subject to approval of its tariff and submission of its pro forma balance sheets. The Board notes that Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided.

Regarding the Petitioner's request for waivers of Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements to maintain its books and records under the USOA.

Therefore, the Board APPROVES Petitioner's request for the exemption from maintaining its books and records under the USOA.

DATED: 3/07/01

BOARD OF PUBLIC UTILITIES
BY:

(signed)
HERBERT H. TATE
PRESIDENT

(signed)
FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

(signed)
FRANCES L. SMITH
SECRETARY